

**BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
June 14, 2010  
9:00 a.m.**

The Board of Directors of Groveland Community Services District met in regular session on the above mentioned date with Directors John Graham, President, Gus Allegri, Vice President, Joe Riley and Steve Perreira being present. Also present were General Manager Jim Goodrich, District Counsel Vicki Hartigan, District Engineer Randy Klaahsen, Fire Chief Shane Warner, District Treasurer Vicki West, and Board Secretary Lena Spilman.  
Absent: Director Lennen

Director Graham called the meeting to order at 9:00 a.m.

***Agenda Approval***

Director Perreira voiced frustration over an item previously submitted to staff, which was not included on the Agenda. District Counsel Vicki Hartigan explained that the item had been left off of the Agenda on the advice of Legal Counsel. Mrs. Hartigan offered to discuss the item with Director Perreira in private.

Director Graham called a recess at 9:02 a.m.

Director Riley entered at 9:04 a.m.

Director Graham reconvened the meeting at 9:07 a.m.

Director Perreira announced that after discussing the matter with District Counsel, he would re-submit his item for placement on the agenda for the next Board meeting.

*Director Allegri moved, seconded by Director Graham, and the motion passed to approve the agenda as written.*

*Aye: Director Graham, Allegri, and Riley*

*Noe: Director Perreira*

*Absent: Director Lennen*

***Public Comment***

Director Graham read a prepared statement regarding public comment and appropriate meeting decorum.

A member of the public voiced concern over Director Graham's policy requiring members of the public to speak from the podium during Board meetings, stating that she was disabled and unable to do so. After some discussion, Director Graham asked her to make her comments from her seat. She inquired as to whether the District had properly noticed the May 10, 2010 Public Hearing. Mrs. Hartigan informed her that public comment is a time for the public to share their comments and not to engage in dialogue with the Board. She stated that this question would be best directed to staff during office hours. This member of the public also stated that the

bathroom doors in the administration buildings are not ADA compliant. Mrs. Hartigan stated that this is also an issue that should be directed to staff during regular office hours.

**Consent Calendar**

- A. Approve Minutes of the May 10, 2010 Regular Board Meeting
- B. Approve Minutes of the May 13, 2010 Special Board Meeting
- C. Waive Reading of Ordinances and Resolutions except by Title

*Director Allegri moved, seconded by Director Riley, and the motion passed to approve the consent calendar.*

*Aye: Director Graham, Allegri, Riley and Perreira*

*Absent: Director Lennen*

**Authorize Admin/Finance Manager to Transfer \$101,000 from the Davis Grunsky Reserve Funds to the Sewer Operating Account**

Admin/Finance Manager Vicki West presented this item to the Board. Mrs. West explained that the District entered into two contracts under the Davis Grunsky Act for construction loans to build parts of the Groveland and Big Oak Flat water systems in the mid 1960s after the District hooked into the Hetch Hetchy water supply. These contracts require that a reserve fund be established in an amount equal to the average annual amount of debt service required to pay off the loans.

She stated that the average annual debt payments are approximately \$9,792. The District currently holds \$111,193 in Davis Grunsky reserve funds which far exceed the reserve requirements of the loans. Mrs. West explained that the staff recommendation is to transfer the excess reserve funds in the amount of \$101,000 from the Davis Grunsky reserve to the sewer operating account to offset the current deficit.

A member of the public inquired as to how the District can transfer money from a fund created for water development projects to a sewer fund. Mrs. West responded that she did check with District Counsel prior to writing the submittal and that she was advised by Mr. McMurchie that the Board does have the authority to authorize this transfer.

Mr. Goodrich stated that there are no restrictions on the transfer of reserve monies.

A member of the public asked whether the District has the option to pay down the loan with the excess reserve funds.

Mr. Goodrich replied that the staff has considered that option, but that it was deemed more important to balance the sewer fund in order to free up money for the other funds.

*Director Allegri moved, seconded by Director Graham, and the motion passed unanimously to authorize Admin/Finance Manager to transfer \$101,000 from the Davis Grunsky reserve funds to the sewer operating account.*

*Absent: Director Lennen*

**Consider Adopting Resolution 4-10: Intention to Levy Assessments for Fiscal Year 2010-11, Preliminarily Approving Engineer's Report. And Providing for Notice of Hearing for the Groveland Community Services District Fire and Rescue Assessment District**

Blair Aas, SCI Consulting Inc., presented this item to the Board. Mr. Aas explained that SCI is the Levy Administrator for the District's Fire Assessment, and that the District is currently in year

9 of a 10-year assessment. He stated that the maximum authorized and proposed assessment rate for the Assessment for FY 2010-11 per single family equivalent benefit unit is \$82.38, and increase of 2.613 percent.

A member of the public inquired as to the method for calculating the maximum increase. Mr. Aas responded that the voters had approved an annual increase in the amount of the CPI, not to exceed 3 percent. As the CPI rose by 2.613 percent this past year, this is the maximum allowable assessment increase. He further explained that the resolution now before the Board would determine a time and date for a public hearing to receive public input on the proposed increase. At this same meeting, the Board will determine whether or not to approve the full adjustment.

Director Perreira stated that he has a long history of voting against these assessments for the reason that he believes the original engineer's report to be extremely flawed.

Mr. Goodrich responded that this vote is to establish the date for the public hearing and to announce the District's intention to continue assessments for FY2010-11, and has absolutely nothing to do with Director Perreira's dislike for the original report. He continued that the appropriate time to raise concerns regarding the basis for the assessments would be next year during the drafting of a new engineer's report. The report, as approved by the voters, can not be changed at this time.

Mr. Aas explained that in order to make any changes at this time, the Board would need to go back to the voters for a new assessment.

*Director Allegri moved, seconded by Director Riley and the motion passed to 1) adopt Resolution 4-10: Providing Intention to Levy Assessments for Fiscal Year 2010-11, preliminarily approving Engineer's report and providing for Notice of Hearing for the Groveland Community Services District Fire and Rescue Assessment District. 2) Schedule the Public Hearing to receive testimony regarding the proposed assessments to be placed on county tax roll for 9 a.m., July 12, 2010.*

*Aye: Director Graham, Allegri, and Riley*

*Noe: Director Perreira*

*Absent: Director Lennen*

***Consider Applying the Same Benefits Package to All Exempt Employees as for the Rank and File Union Employees***

District Counsel Vicki Hartigan advised the Board not to discuss this item in open session.

Director Perreira commented that the contracts of public employees are a matter of public record, and as such should be discussed in open session. Mrs. Hartigan replied that although they are a matter of public record, labor negotiations are not. She stated that as this item proposes changes to current labor contracts, it is considered a labor negotiation issue and should be discussed in closed session.

*Director Graham motioned, seconded by Director Riley, and the motion passed that the item be moved to closed session at the June 28, 2010 Board meeting.*

*Aye: Director Graham, Allegri, and Riley*

*Noe: Director Perreira*

*Absent: Director Lennen*

***Consider Putting Managers and Other Employees at GCSD Board Meetings on Call, When Needed, Instead of Having Them Attend the Entire Meeting***

Director Perreira presented this item to the Board. He explained that the District has taken significant cost saving measures regarding District Counsel's attendance at Board meetings, and that his proposal would extend these measures to staffs attendance as well. Director Perreira stated that it is a waste of District resources to have staff present at all meetings, and that staff member attendance is only necessary at those meetings in which there is an item on the agenda that directly pertains to them.

Several members of the public spoke in support of Director Perreira's proposal.

General Manager Jim Goodrich commented that the District's management are all salaried employees, who do not get paid by the hour for their time. He explained that many of them work 13-14 hours a day, in addition to weekends, and that thier presence at Board meetings generally constitutes only 3-4 hours a month. Furthermore, Mr. Goodrich argued that staff's attendance at Board meetings allows them to get the pulse of the community and to stay informed on issues affecting the District. He stated that this proposal would in no way save the District money.

Director Perreira replied that efficient use of resources is important, and that although dedicated, the employees are not likely to work an additional 3-4 hours on Board meeting days to compensate for the time spent.

Director Riley asked District Engineer Randy Klaahsen whether he found his attendance at Board meetings to be helpful. Mr. Klaahsen replied that he absolutely found the meetings helpful.

Director Riley stated that he did not believe that the Board would benefit from a lack of interface with management, and that when working in the private sector he found his staffs attendance at meetings very necessary.

Mr. Goodrich commented that these meetings comprise only 3-4 hours a month, and that the weakness of Director Perreira's proposal is that it gives no benefit to the staff's interface with the Board or members of the public.

*Director Perreira moved to put managers and other employees at GCSD Board meetings on call, when needed, instead of attending the entire meeting. The motion died for lack of second.*

***Consider Delaying Implementation of the automatic Meter Reading (AMR) System while Investigating Simpler, Less Costly Alternatives such as Less Frequent Meter Reading and Bill Leveling***

Director Perreira presented this item to the Board. He explained that although he has consistently voted to move this project along, he has changed his position on the matter due to overwhelming public opposition. He argued that the financing obligations will outlive the life of the new meters by about three times, and listed the changes in financing arrangements and the non-participation of Chevron as major factors in his decision. Director Perreira explained his proposal that rather than investing in the new AMR project the District should go to reading the meters twice a year or every several months, averaging out the bills between readings.

Director Graham stated that while Director Perreira does have some good ideas, his entire proposal is based upon the idea that this AMR project has already been approved, which it has

not. He argued that the Board cannot vote to delay a project that it has not yet determined to proceed with.

Director Perreira pointed out that his proposal also suggests that the District begin investigating alternatives.

District Engineer Randy Klaahsen clarified that Chevron Energy Solutions did not back-out of the project as stated by Director Perreira, but that the District was unable to pursue a loan through them due to the fact that the District did not meet an existing loan covenant. He stated that this problem has since been corrected.

Mr. Klaahsen continued that most of the District's meters are approximately 40 years old, and reading 8-10 percent slow. He informed the Board that there is currently an open position in the Maintenance department that he would be willing to eliminate to help fund the project.

Various members of the public inquired as to the specifics of the project and the funding opportunities.

Director Allegri commented that it seems to be the belief of both Director Perreira and members of the public in attendance that commencement of this project is imminent. He stated that this is not the case, and that he does not feel that he currently has sufficient evidence to warrant support for the project.

*Director Perreira moved, seconded by Director Graham, and the motion passed unanimously to direct the staff to investigate less costly, simpler alternatives to the Automatic Meter Reading (AMR) System*

## **Information Items**

### **Review Proposed FY 2010-11 District Budget**

Mr. Goodrich gave a brief PowerPoint presentation summarizing the FY 2010-11 Budget. He explained that the item would be presented to the Board on June 28<sup>th</sup> for adoption.

### **Update on Retirement Benefits Review Committee**

There was no report on this item, as Committee Chair Director Lennen was not present.

### **Update on Graywater Use Committee**

Mr. Goodrich explained that this Committee had been designated an *Ad Hoc* committee. Director Riley asked that this item be omitted from future agendas until which time the county takes action on the matter and there is something to report.

Director Perreira commented that he had begun collecting signatures in support of the the newly adopted state graywater regulations, and asking Tuolumne County to adopt the regulations in their entirety. He urged staff and members of the public to sign his petition.

## ***Staff Reports***

### **A. General Manager's Comments**

None

## **B. O&M Report**

Mr. Klaahsen directed the Board to the staff report included in the board packet and offered to answer any questions that they had.

## **C. Fire Department Report**

Chief Warner praised his crew for doing an excellent job during the last month. He announced that the Department had raised over \$7,000 for the American Cancer Society through their participation in Relay for Life, and that the Volunteer Association had served over 700 people at their annual Memorial Day BBQ at the stables. He also announced that 6 cadets had completed the newly reinstated ROP program, and that the newly graduated students from the JBFA were ready to start serving shifts as reserves. The Department will likely need the extra help as the wet winter has produced unusually thick vegetation this year, and the Department anticipates a busy fire season.

## **E. District Counsel's Comments**

None

### ***Director's Comments***

Director Riley asked Chief Warner several questions regarding emergency standby resources at the Pine Mountain Lake Airport.

(Director Graham adjourned the meeting into closed session at 11:28 a.m.)

### ***Closed Session***

- A. Significant Exposure to Litigation  
(Pursuant to Govt. Code Sec. 54956.9 (b)(3)(B))  
One Case
  
- B. Conference with Labor Negotiator  
(Pursuant to Govt. Code Sec. 54957.6)  
Agency Designated Representative: General Manager James A. Goodrich.  
Employee Organization: Operating Engineers Local Union No. 3

(Director Graham reconvened into open session at 12:43 p.m.)

### ***Announcement of Any Action Taken by Board in Closed Session:***

*Significant Exposure to Litigation:* No action to report

*Conference with Labor Negotiator:* The Board approved a tentative agreement for the O&M and Safety Union contracts. Formal MOUs will be presented to the Board at the June 28, 2010 special Board meeting.

### ***Adjournment***

Director Graham moved, seconded by Director Allegri, and the motion passed unanimously to adjourn the meeting at 12:24 p.m.

APPROVED:

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John Graham, President

ATTEST:

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Lena Spilman, Board Secretary